CITY OF SAN MARCOS, TEXAS SAN MARCOS MUNICIPAL AIRPORT

AIRCRAFT STORAGE RENTAL AGREEMENT

This Air	craft Storage Rental Agreement (the "Agreement") is entered into on this day of
	, 20, by and between the City of San Marcos, Texas ("Landlord") and
WHERE	EAS, the Landlord owns San Marcos Municipal Airport (the "Airport") located in San Marcos,
Caldwe	ell County, Texas, and in connection therewith maintains for rent T-Hangars and Covered Tie-
Down s	spaces for the storage or parking of aircraft; and
	EAS, the Airport is managed and operated on behalf of the Landlord by Texas Aviation Partners, a I Liability Company ("Manager"); and
	EAS, the Tenant is the owner or lessee of the aircraft (the "Aircraft") more fully described herein lds the exclusive right to fly or dispose said Aircraft; and
lease th	EAS, Landlord is willing to lease a T-Hangar or Covered Tie-down to Tenant, and Tenant desires to ne same from Landlord, but only in accordance with and pursuant to the terms and conditions of craft Storage Rental Agreement.
	THEREFORE, for and in consideration of the covenants and obligations set forth herein, the rd and Tenant agree as follows:
1)	<u>Premises</u> : Landlord hereby rents to Tenant T-Hangar OR Covered Tie-Down:
	Tenant leases and accepts the Premises as they now exist and agrees to surrender the Premises at the end of the term of this Agreement clean and free of trash and in the same condition allowing for reasonable wear and tear. Tenant has inspected the Premises and accepts them in

at the end of the term of this Agreement clean and free of trash and in the same condition allowing for reasonable wear and tear. Tenant has inspected the Premises and accepts them in "AS IS, WHERE IS" condition, with all faults and without reliance upon any representation or warranty by Landlord or Manager or their employees or agents as to the Premises' suitability for any purpose. Except as provided herein, Tenant acknowledges that neither Landlord nor Manager nor any agent of Landlord or Manager has made any representation as to the condition of the Premises or the suitability of the Premises for Tenant's intended use. No express or implied warranties are given by Landlord or Manager. Tenant expressly waives any implied warranty of suitability, merchantability, security, or fitness for a particular purpose, and waives all claims based on any defect in the Premises or the Airport that could have been

discovered by Tenant's reasonable inspection. Oral statements are not warranties and are not incorporated into this Agreement. Tenant agrees that Landlord and Manager do not represent or guarantee the safety or security of the property stored within the Premises and has no duty of safety or security of any kind under any circumstances.

2)	Term: The Primary Term of this Rental Agreement (the	e "Primary Term") shall be for the period
	of year(s), commencing	, 20 (the "Commencement
	Date") and ending, 20	_ (the "Expiration Date") upon the terms
	conditions, covenants, and stipulations herein set forth	ı.

a. This Agreement will end on the Expiration Date if Landlord gives Tenant at least thirty (30) day notice before the Expiration Date, or if Tenant gives Landlord at least thirty (30) day notice before the Expiration Date, that either Landlord or Tenant, as the case may be, intends that this Agreement end on the Expiration Date (such notice by Landlord or Tenant being sometimes referred to herein as a "Move-Out Notice"). If neither Landlord nor Tenant gives such Move-Out Notice, then upon the expiration of the Primary Term, this Agreement will continue in effect from month-to-month on the same terms and conditions, or on such changed terms and conditions which Landlord has given to Tenant in accordance with the procedure set forth below, this Agreement being automatically renewed after the end of each month for a one month period (each such month being sometimes referred to herein as a "renewal period"). Either party may terminate the month-to-month tenancy (if any) by giving a Move-Out Notice (eg. notice of the party's intent to terminate), and such termination shall be effective on the last day of the month following the expiration of thirty (30) days after the date such Move-Out Notice is given.

For the purposes of this Agreement, the term "month" means a period extending from a date in any one calendar month to the date immediately preceding the corresponding date in the following calendar month, both dates inclusive. The term "calendar month" means a period extending from the first to the last day, both days inclusive, of any one of the 12 calendar months of the year.

3)	<u>Rent</u> : Except for any notice or demand expressly required in this Agreement, Tenant must pay to
	Landlord without any notice, demand, setoff, or deduction, rent as set forth herein. Total rent
	for the duration of the Primary Term shall be \$, payable by Tenant in
	equal advance installments of \$, with the first such
	installment (together with a Security Deposit equal to one month's installment) due and payable
	concurrently with Tenant's execution of this Agreement. Each installment thereafter is due and
	payable on or before the first day of each subsequent month while this Agreement is in effect.
	If the date of this Agreement is a date other than the first day of a calendar month, there shall
	be due and payable on or before such date prorated rental in the amount of \$
	for the balance of the first month. If tenant prefers to make annual rather than monthly

payments, annual payments shall be made in the amount of \$_____in advance for each 12 month period.

- a. Method of Payment: Rent is payable to Manager by check or credit card. Manager reserves the right to require the form of payment of rent to be by check, certified or cashier's check or money order. Cash is an unacceptable form of payment without the Manager's prior written consent.
- b. Place of Payment: Unless this lease provides otherwise, Tenant will remit all amounts due to Manager under this lease to the following person or entity at the place stated and make all payments payable to the named person or entity. Landlord or Manager may later designate, in writing, another person or place to which Tenant must remit amounts due under this lease.

Texas Aviation Partners 1807 Airport Drive Suite 200 San Marcos, TX 78666

- c. Late Charges: Tenant's failure to pay sums due hereunder promptly may cause Landlord or Manager to incur unanticipated costs. The exact amount of such costs is impractical or difficult to ascertain. Such costs may include, but are not limited to, processing and accounting charges. Therefore, if Manager does not receive a rent payment in the full amount at the designated place of payment by 5:00 p.m. CST on the 5th day of the month in which it is due, Tenant will pay Manager for each late payment:
 - i. An initial late charge equal to \$25.00; and
 - ii. Additional late charges of \$10.00 per day thereafter until rent and late charges are paid in full. Additional late charges may not exceed more than 15 days in any one month.
 - iii. Provided, however, that if the foregoing late charge would be deemed in violation of the law, such amount shall be equal to an amount determined by multiplying the amount of monthly rent times the highest rate of interest per annum allowed under applicable law. The parties agree that the late charge set forth herein represents a fair and reasonable estimate of the costs Landlord will incur by reason of such late payment.

Returned Checks: In addition to the foregoing late charges, Tenant shall reimburse Manager or landlord for each check Tenant tenders to Manager that is returned or not honored by the institution on which it is drawn for any reason. Tenant must make any returned check good by paying such amount(s) plus any associated charges in certified funds. Any sums required to be

paid hereunder and not paid when due, including attorneys' fees, shall bear interest, until paid, at the lesser of the following rates: (i) 18% per annum; or (ii) the highest rate allowed under applicable law. Interest shall accrue on monthly rental payments and late charges from the fifth day of each month until such payments are received by Manager and, on returned check charges, until such returned check is made good. All agreements between Landlord and Tenant, whether herein contained or in any other instrument or agreement, whether written or oral, are hereby expressly limited so that in no contingency or event whatsoever shall any acceleration of rents due, late charges, returned check charges, interest charges, or any other charges whatsoever, be deemed as interest charged, contracted for or received in excess of the amount permitted under applicable law, it particularly being the intention of the parties hereto to conform strictly to the laws of the State of Texas. Any portion of such charges which are deemed as interest in excess of the amount permitted under applicable law, as of the date such charge is due, shall be applied to a reduction of the rental payment next coming due hereunder, or, if such portion of charges exceeds the rental payment next coming due hereunder, such amount shall be refunded to Tenant. If a specific due date for any monetary obligation owed by Tenant to Landlord is not provided for in this Agreement, the due date for such obligation shall be that date which is ten (10) days after Landlord delivers a written request for payment to Tenant.

Except with the Landlord's prior written consent, Tenant will not be released from this Agreement for any reason – including but not limited to voluntary or involuntary job transfer, change of marital status, loss of co-tenant, loss of employment, bad health, or the sale or disposition of the Aircraft. Tenant is obligated to the terms and conditions of this Agreement, including the payment of rent, for the entire Primary Term, from the Commencement Date through the Expiration Date, and for each month thereafter (if any) until this Agreement is terminated.

- 4) **Special Provisions:** The following special provisions and any addenda or written rules furnished to Lessee at or before signing this Agreement will become a part of this Rental Agreement and supersede any conflicting provisions of this printed form.
- 5) Adjustment in Rent, Charges and Fees or other Terms to this Agreement: Except as otherwise provided for herein, during the Primary Term no change in any term or condition of this Agreement will be effective, unless Landlord and Tenant each sign and deliver a written instrument evidencing the change. Following the Expiration Date, Landlord may in its sole discretion make changes to this Agreement (including, without limitation, changes regarding the amount of rent) without Tenant's consent or agreement; provided, however, that such changes shall not be effective in the first month following the Expiration Date unless Landlord has given notice of such changes to Tenant at least forty-five (45) days prior to the end of the Primary Term; and for any month thereafter, such changes shall not be effective until the first day of the month next following the expiration of thirty days after the date Landlord gives notice of such changes to Tenant.

- shall be paid by Tenant to Landlord upon the execution of 6) **Security Deposit:** \$ this Agreement as additional security for Tenant's obligations to Landlord ("Security Deposit"). Such Security Deposit shall be equal to one monthly installment of rent. If at any time during this Agreement an existing security deposit then being held by Landlord is less than one monthly installment of rent, Tenant will be required to make an additional payment to Landlord so that the Security Deposit being held by Landlord is equal to one monthly installment of rent. No interest shall be paid on the Security Deposit. Landlord shall not be required to keep the Security Deposit separate from its other accounts and no trust relationship is created with respect to the Security Deposit. Any interest from the Security Deposit shall be retained by Landlord. The Security Deposit is not an advance payment of rent or a measure of liquidated damages in case of default by Tenant. Upon the occurrence of any event of default, Landlord may, from time to time, without prejudice to any other remedy provided herein or provided by law, use the Security Deposit to the extent necessary to make good any arrearages of rent and any other damage, injury, expense or liability caused to Landlord by such event of default, or to satisfy Tenant's other obligations hereunder. Following any such application of the Security Deposit, Tenant shall pay to Landlord, on demand, the amount so applied in order to fully restore the Security Deposit. If Tenant is not then in default, and no condition exists, which, with the passage of time or both, would constitute a default when this Agreement expires or terminates, except as otherwise provided for in this Agreement, Landlord will return any unused portion of the Security Deposit to Tenant within 30 days after the last to occur of: (i) the Expiration Date, (ii) payment of all rent and any damages, (iii) Tenant's surrender of the Premises in accordance with this Lease, and (iv) Landlord's receipt of Tenant's forwarding address. Tenant's actual or attempted assignment, transfer, or encumbrance of the Security Deposit will not bind Landlord.
- 7) Permitted Use of Premises: The Premises may be used only for the purpose of storing the herein described Aircraft and the temporary storage of Tenant's motor vehicle (ie, car, truck, motorcycle) while Tenant is using the Aircraft. If the Premises is a fully enclosed hangar, such equipment and parts reasonably necessary for the operation of such Aircraft may also be stored in the Premises (provided such equipment and parts comply with all other provisions of this Agreement), but may be used for no other purposes without the prior written consent of Landlord. Without limiting the foregoing or any other provision of this Agreement:
 - a) Tenant shall not keep anything on or within the Premises or use the Premises for any purpose in violation of any applicable law, rule, regulation, standard, or policy, or which increases the insurance premium costs or invalidates any insurance policies carried on the Premises or other parts of the Airport without Landlord's prior written consent.
 - Except as otherwise provided for herein, all property kept, stored or maintained on or within the Premises by Tenant shall be kept, stored, or maintained only with Landlord's prior written consent.

- c) All property kept stored or maintained on or within the Premises shall be at Tenant's sole risk and Tenant shall be responsible for compliance with all health and environmental laws and regulations with respect to such property.
- d) Without limiting the foregoing or any other provision of this Agreement, Tenant will not store any of the following in the Premises: asbestos; explosives; fireworks; ammunition; paint; gasoline; fuel; grease; flammable, combustible, chemical, odorous, corrosive, pollutant, toxic, or other inherently dangerous or hazardous materials or waste; firearms; weapons prohibited by law; any property or controlled substance that violates any order, law, rule, or regulation of any governmental authority; or any Hazardous Materials (as hereinafter defined).
- e) Tenant shall not use the Premises for any activity that creates a nuisance, damages the Premises or any premises or other property located adjacent thereto, or violates any local, state, or federal ordinance, zoning, code, law, rule or regulation. Tenant shall comply with noise abatement standards at the Airport.
- f) Tenant shall take good care of the Premises and shall not commit any waste thereof. Tenant shall keep the Premises and areas adjacent to the Premises neat, clean and free from dirt or rubbish at all times.
- g) Tenant shall not permit nor take any action that would constitute a nuisance or would disturb or endanger other tenants of the Airport or unreasonably interfere with their use of the Airport.

8) Hangar Possession, Occupancy and Selling of Aircraft:

- a) Tenant represents to Landlord that Tenant is the owner or lessee of the Aircraft defined in the Abstract of Terms attached hereto and incorporated herein and holds the exclusive right to fly or sell the Aircraft. Tenant agrees that no other aircraft will be kept on the Premises without Landlord's prior written consent. If Tenant sells, transfers, or otherwise conveys the Aircraft (together, "Aircraft Sale"), Tenant shall give Landlord prompt written notice of the same; and this Agreement will automatically terminate ninety (90) days (the "Replacement Period") after the date of the Aircraft Sale unless during the Replacement Period (i) Tenant replaces the Aircraft with another aircraft that Tenant has the exclusive right to fly or sell and (ii) Tenant has properly registered the replacement aircraft with Landlord within the Replacement Period. If Tenant cannot acquire a replacement aircraft within the Replacement Period, Landlord may, at its sole option and without obligation, extend the Replacement Period for a maximum period of ninety (90) additional days.
- b) Tenant shall not, and has no power, authority or right to, assign, transfer, pledge, sublet, or otherwise convey (together, "Transfer") this Agreement or any of Tenant's rights, duties or obligations hereunder. Any Transfer, without Landlord's prior written consent, will be a default under this Agreement, and Landlord may in its sole discretion and in addition to its other remedies declare void any such Transfer.

- c) Any Aircraft Sale or any Transfer shall not release Tenant or change Tenant's primary liability to pay the rent and to perform all other obligations of Tenant under this Agreement. Landlord's acceptance of rent from any other person is not a waiver of any provision of this Section or of this Agreement. Landlord is under no obligation to consent to a Transfer to any purchaser of the Aircraft or to enter into a new rental agreement with said purchaser. Landlord's consent to one Transfer is not consent to any subsequent Transfer. If Tenant's Transferee, whether consented to by Landlord or not, defaults under this Agreement, Landlord may pursue against Tenant any and all remedies available to it as provided for in this Agreement or by applicable law without pursuing remedies against the Transferee.
- d) Upon the expiration or earlier termination of this Agreement, Tenant agrees to remove Tenant's lock, vacate the Premises, leave the Premises clean and in reasonable and rerentable condition, and notify Landlord that the Premises are vacant and clean. Tenant will forfeit the Security Deposit for failure to perform any of these obligations.
- 9) Move-Out Notice: As set forth in and in accordance with Section 2, either party upon giving a "Move-Out Notice" may terminate this Agreement. A Move-Out Notice will not release the Tenant from liability under this Agreement in the event Tenant vacates the Premises early.
- 10) Holdover: Tenant shall vacate the Premises on or before the date this Agreement is terminated. If Tenant holds over and continues in possession of the Premises after any termination of this Agreement, Tenant will be deemed to be occupying the Premises as a tenant at sufferance, provided, however, that at Landlord's sole option (the exercise of which shall only be evidenced in writing by Landlord and which is given to Tenant), such holding over may be considered by Landlord as a month-to-month tenancy at will subject to all of the terms and conditions of this Agreement, except and provided that such tenancy at will shall: i) be terminable at any time; and ii) Tenant shall pay monthly rental in an amount equal to 150% of the monthly rent set by Landlord for lease renewals of comparable facilities owned by Landlord at Airport; and iii) Tenant will be liable to Landlord for all rent for the full term of any previously signed rental agreement of a new tenant who cannot take possession of the Premises because of the holdover.
- 11) Alterations or Improvements to Premises: Tenant shall not alter or improve the Premises in any respect without Landlord's prior written consent. Any such alteration or improvement to which Landlord consents must fully comply with all laws, rules, regulations, codes, standards, and policies (including, without limitation, local building codes and ordinances) of any governmental authority with jurisdiction over the Airport (including, without limitation, the City of San Marcos, Texas), and will become Landlord's property upon termination of this Agreement without compensation to Tenant.
- 12) <u>Supplies and Securing the Premises</u>: Tenant at Tenant's sole cost and expense shall be responsible for obtaining all items necessary or desirable for the use and operation of the

Premises, including, without limitation, items such as light bulbs and bathroom supplies. Tenant agrees to provide Tenant's own lock and to lock the Premises immediately after execution of this Agreement. Tenant agrees to keep the Premises locked when Tenant is not on the Premises. If the Premises are found unlocked by Landlord or Manager, Landlord may overlock the Premises until Tenant's lock is replaced and Tenant notifies Landlord that the Premises have been locked by Tenant.

13) Landlord's Right of Entry: Landlord shall have the right (but not the obligation) to enter the Premises at any time for any lawful purpose, including, without limitation, (i) inspecting or exhibiting the Premises, (ii) making repairs to the Premises, or alterations or additions to other premises in the proximity of the Premises, or (iii) to do any other act or to inspect and conduct tests in order to monitor Tenant's compliance with all applicable environmental laws and all laws governing the presence and use of Hazardous Materials.

In case of emergency, Tenant expressly grants Landlord the right to remove Tenant's lock, enter the Premises immediately, and take whatever steps Landlord deems appropriate for preservation of Tenant's property and/or the Airport or any portion thereof, including removal of such property to another location. An "emergency" is any situation that gives rise to a reasonable belief that a hazard or danger to person or property exists, in Landlord's sole opinion. Tenant waives any claim for damages for any injury, damage, or inconvenience that may arise through actions taken for emergency, unless due to the willful misconduct or gross negligence of Landlord.

At all times during the term of this lease, tenant shall provide Manager with a currently operative key or any combination to locks placed on hangar by Tenant.

- 14) <u>Utilities</u>: Tenant may not install or cause to have installed any utility or service to or about the Premises without Landlord's prior written consent.
- 15) <u>Insurance</u>: The Lessee shall procure and maintain insurance in full force at its expense as set forth in the Minimum Standards for Fixed Base Operators and Airport Tenants, covering claims which arise out of or in connection with the Lessee's use or maintenance of the Leased Premises.

Policies carried by the Lessee shall be endorsed to provide the following, as applicable: (i) in all liability policies (except for automobile liability policies), name as additional insured the Landlord (being the City of San Marcos) and Manager (being Texas Aviation Partners, LLC.), (ii) in all liability policies, provide that such policies are primary insurance to any other insurance available to the additional insured, with respect to any claims arising out of activities conducted hereunder, and that insurance applies separately to each insured against whom claim is made or suit is brought; and (iii) a waiver of subrogation in favor of Landlord and Manager must be

included in all liability policies. The amount and coverage of such insurance shall not limit Tenant's liability nor relieve Tenant of any other obligation under this Agreement.

All insurance policies shall be issued by an insurance company authorized to do business in Texas which is satisfactory to Landlord and in the standard form approved by the Texas Department of Insurance, and shall be endorsed to provide for at least 30 days advance written notice to Landlord and Manager of a material change in or cancellation of a policy. Certificates of insurance, satisfactory to Landlord, evidencing all coverage above, shall be furnished to Landlord prior to the Commencement Date, with complete copies of policies furnished to the Landlord upon request. Landlord reserves the right to review and revise from time to time the types of insurance and limits of liability required herein.

16) Hazardous Materials: Tenant and Tenants' directors, officers, shareholders, members, partners, agents, representatives, employees, invitees, contractors, subcontractors, or subtenants, or any person employed by any of them or for whom any of them may be liable (together, "Tenant Parties"), shall not install, store, use, handle, treat, transport, release, discharge or dispose, or permit or acquiesce in the installation, storage, use, handling, treatment, transportation, release, discharge or disposal on, under, in, above, to, or from the Premises or any portion of the Airport, any: (a) asbestos in any form; (b) urea formaldehyde foam insulation; or (c) any other chemical, material, air pollutant, toxic pollutant, waste, or substance which is regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated by the Resource Conservation Recovery Act (42 U.S.C. §6901, et seq., as amended or superseded), the Comprehensive and Environmental Response Compensation and Liability Act (42 U.S.C. §9601, et seq, as amended or superseded), the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the Clean Air Act, and/or the Clean Water Act, or any other federal, state, county, regional, local or other governmental authority laws, rules, orders, standards, policies, or regulations, or which, even if not so regulated may or could pose a hazard to the health and safety of the occupants of the Premises and/or any portions of the Airport, and which is either: (i) in amounts in excess of that permitted or deemed safe under any applicable law, rule, order, standard, policy, or regulation or (ii) in any manner prohibited or deemed unsafe under applicable law, rule, order, standard, policy, or regulation. (The substances referred to in (a), (b), and (c) of this Section are collectively referred to hereinafter as "Hazardous Materials"). Tenant shall defend, indemnify, and hold harmless Landlord and Manager (together with Landlord's and Manager's respective officials, officers, employees and agents (in both their official and private capacities) from and against , and reimburse Landlord for, (i) any and all

obligations, damages (including, without limitation, consequential damages), injunctions, fines, penalties, liability, demands, claims, judgments, costs, expenses, actions, liabilities, suits, proceedings and losses of whatever nature (including, without limitation, attorneys' fees and court costs and costs of any alternative dispute resolution procedure), and all cleanup or removal costs and all actions of any kind, arising out of or in any way connected with the installation, storage, use, handling, treatment, transporting, release, discharge, or disposal of any Hazardous Materials on, under, in, above, to, or from the Premises and/or any portion of the Airport by Tenant Parties or any of them; and (ii) any loss, cost, expense, claim, fine, obligation, suit, action, or liability arising out of any investigation, monitoring, clean-up, containment, removal, storage, or restoration work (herein referred to as "Remedial Work") required by or incurred by Landlord or Manager or any other person or party in a reasonable belief that such Remedial Work is required by any applicable federal, state or local law, rule, regulation or order, or by any governmental agency, authority, or political subdivision having jurisdiction over the Premises, or out of Tenant's failure to provide all information, make all submissions and take all steps required by any governmental authority under any laws relating to the cleanup of any Hazardous Materials or any other law (environmental or otherwise). In the event any Remedial Work is so required under any applicable federal, state, or local law, rule, regulation or order, Tenant shall promptly perform or cause to be performed such Remedial Work in compliance with such law, rule, regulation, or order. In the event Tenant shall fail to commence the Remedial Work in a timely fashion, or shall fail to prosecute diligently the Remedial Work to completion, such failure shall constitute an event of default on the part of Tenant under the terms of this Agreement, and Landlord, in addition to any other rights or remedies afforded it hereunder, may, but shall not be obligated to, cause the Remedial Work to be performed, and Tenant shall promptly reimburse Landlord for the cost and expense thereof upon demand. Tenant's obligations and liabilities under this Section shall survive the termination or expiration of this Agreement. In addition to and not in limitation of Landlord's other rights and remedies, Tenant's failure to abide by the terms of this Section shall be restrainable by injunction.

17) <u>Indemnification</u>: Tenant shall defend and indemnify Landlord and Manager (together with Landlord's and Manager's respective officials, officers, employees and agents) (in both their official and private capacities) against and hold Landlord and Manager (together with Landlord's and Manager's respective officials, officers, employees and agents) (in both their official and private capacities) harmless from, any and all costs, expenses, fees, fines, penalties, claims, lawsuits, judgments, actions, causes of action,

harm, or liability arising from, out of, or in connection with: (a) the use of the Premises by Tenant Parties or any of them; (b) the conduct of Tenant's business or anything else done or permitted by Tenant to be done in or about the Premises; (c) any breach or default in the performance of Tenant's obligations under this Agreement; (d) any misrepresentation or breach of warranty by Tenant under this Agreement; and (e) without limiting any of the foregoing, any act or omission of Tenant or any of Tenant Parties under, related to, or in connection with, this Agreement. Tenant shall defend Landlord against any such cost, expenses, fees, fines, penalties, claims, lawsuits, judgments, actions, causes of action, or liability at Tenant's sole cost and expense with counsel reasonably acceptable to Landlord and/or, at Landlord's election; Tenant shall reimburse Landlord for any reasonable legal fees or costs incurred by Landlord in connection with any such claim.

Landlord shall not be liable to Tenant Parties or to any other party whomsoever, for any injury of any kind whatsoever to or the death of any person, or damage to or loss or destruction of property, or any other harm, damage or injury, on, within or about the Premises or any other property at the Airport caused, in whole or in part, by any act or omission of Tenant Parties or any of them, or arising out of the use of the Premises by Tenant or any Tenant Parties or the conduct of Tenant's business thereon or therein, or arising out of any breach or default by Tenant in the performance of Tenant's obligations hereunder, or from any Act of God, strike, act of terrorism, act of any governmental authority or court, riots, epidemics, inclement weather, fires, governmental laws, regulations, civil disturbances, explosions, or from any other cause whatsoever beyond Landlord's control, and Tenant hereby agrees to defend, indemnify, and hold harmless Landlord and Manager, their officials, officers, employees and agents (in both their official and private capacities) from and against any and all liability, loss, damages, judgment, expense or claim arising out of or resulting from any such damage, loss, injury, death, or any other harm.

Each party hereto waives any and every claim which may arise in such party's favor against the other party hereto during the term of this Agreement for any and all loss or damage to any of such party's property located on, within or comprising a part of the Premises to the extent that such loss or damage is covered by valid and collectible fire and extended coverage insurance policies.

Landlord and Manager, their officials, officers, employees and agents shall not be liable to Tenant for any death of or injury to any person or damage to property caused by the Premises or other portions of the Airport becoming out of repair or by defect in

or failure of equipment, pipes or wiring or broken glass or by the backing up of drains or by gas, water, steam, electricity, petroleum products or other substances leaking, escaping or flowing on or into the Premises or any other property at the Airport, nor shall Landlord or Manager, their officials, officers, employees and agents be liable to Tenant for any death, injury, loss or damage that may be occasioned by or through any act or omission of other tenants of the Airport or of any other party whomsoever, including contractors engaged in construction on the Airport, excepting only duly authorized employees of Landlord or Manager acting within the scope of their employment.

The obligations and provisions of this Section shall survive the expiration or earlier termination of this Agreement.

18) Casualty and Destruction:

- a) If the Premises, or any structures or improvements on the Premises, should be damaged or destroyed by fire, tornado, or other casualty, Tenant shall give immediate written notice of the damage or destruction to Landlord, including a description of the damage and, as far as known to Tenant, the cause of the damage.
- b) If the Premises are totally destroyed by fire, tornado, or other casualty not the fault (in whole or in part) of Tenant or any person in or about the Premises with the express or implied consent of Tenant, or if not totally destroyed if it should be so damaged by such a cause that rebuilding or repairs cannot reasonably be completed within 180 working days after the date of Landlord's receipt of insurance proceeds in connection with the casualty, this Agreement shall terminate, and rent shall be abated for the unexpired portion of this Agreement, effective as of the date of written notification as provided in subparagraph (a) of this Section 17.
- c) If the Premises are damaged by fire, tornado, or other casualty not the fault of Tenant or any person in or about the Premises with the express or implied consent of Tenant, but not to such an extent that rebuilding or repairs cannot reasonably be completed within 180 days after the date of Landlord's receipt of insurance proceeds in connection with the casualty, this Agreement shall not terminate except as provided in subsection (1) of this subparagraph (c) below:
 - (1) If such damage to the Premises occurs during the Term hereof, Landlord may, at its sole cost and in its sole discretion, proceed to rebuild or repair the Premises to substantially the condition in which they existed upon commencement of this Agreement. Tenant shall, at its sole cost and risk, be responsible for rebuilding or repairing any damaged improvements made by Tenant. If the Premises are untenantable in whole or in part following such damage, the rent payable during the period in which they are untenantable shall be adjusted equitably. In the event that Landlord should elect not to

- so rebuild or repair the Premises or fails to complete such rebuilding or repairs within 180 working days after the date of Landlord's receipt of insurance proceeds in connection with the casualty, Landlord or Tenant may terminate this Agreement by written notification to Landlord. Upon such notification, all rights and obligations under this Agreement shall cease.
- d) If the destruction (in whole or in part) of the Premises is the result of or caused by (in whole or in part) any act or omission of Tenant, or any person in or about the Premises with the express or implied consent of Tenant (including, without limitation, Tenant's representatives, agents, invitees, and contractors), Landlord may elect (at its sole option and in its sole discretion) to rebuild the Premises and the building or structure of which the Premises may be a part. If Landlord so elects to rebuild, Tenant shall pay Landlord the difference between the actual cost of rebuilding and any insurance proceeds received by Landlord as a result of the casualty destruction. Tenant's obligations under this paragraph (d) shall survive the termination of this Agreement.
- 19) Events of Default: Any one or more of the following shall be events of default by Tenant under this Agreement: (i) failure, in accordance with this Agreement, to pay any installment of rental hereunder or failure to provide and maintain insurance set forth herein and such failure shall continue for a period of ten (10) days; (ii) if any person shall occupy the Premises as a dwelling or use the Premises for sleeping accommodations; (iii) failure to comply with the Rules and Regulations established for the Airport (whether existing on the date on which this Agreement is executed or as hereafter amended or adopted); (iv) Tenant or any guarantor of Tenant's obligations hereunder shall file a petition or be adjudged bankrupt or insolvent under any applicable federal or state bankruptcy or insolvency law or admit that it cannot meet its financial obligations as they become due, or a receiver or trustee shall be appointed for all or substantially all of the assets of Tenant or any guarantor of Tenant's obligations hereunder and the same is not dismissed within sixty (60) days; (v) Tenant or any guarantor of Tenant's obligations hereunder shall make a transfer in fraud of creditors or shall make an assignment for the benefit of creditors; (vi) Tenant shall do or permit to be done any act which results in a lien being filed against the Premises; (vii) the liquidation, termination, dissolution or (if the Tenant is a natural person) the death of Tenant or any guarantor of Tenant's obligations hereunder; or (viii) Tenant shall be in default of any other term, provision or covenant of this Agreement, other than those specified in subparts (i) through (vii), above, and such default is not cured within fifteen (15) days after written notice thereof to Tenant.
- 20) Acceleration of Rent: All rent owed but unearned will be accelerated automatically without notice or demand (before or after acceleration) and will be immediately due and delinquent if, without Landlord's prior written consent: i) Tenant moves out, removes property from the Premises in preparation to move out, or gives oral or written notice by Tenant or any occupant of Tenant's intent to move out before the Primary Term or a renewal period (if any) ends, and ii)

Tenant has not paid all rent for the entire Primary Term or renewal period, as the case may be. Such conduct is considered a default for which Landlord is not required to give Tenant notice.

- 21) Other Remedies: Upon the occurrence of any event of default set forth in this Agreement, Landlord shall have the option to pursue any one or more of the remedies set forth in this Section without any additional notice or demand:
 - a) Landlord may terminate this Agreement and forthwith repossess the Premises and be entitled to recover forthwith as damages a sum of money equal to the total of: (i) the cost of recovering the Premises (including attorneys' fees and costs of suit); (ii) the unpaid rent earned at the time of termination, plus interest thereon at the highest rate allowed by applicable law; (iii) any other sum of money and damages owed by Tenant to Landlord.
 - b) Landlord may terminate Tenant's right of possession (but not this Agreement) and may repossess the Premises by forcible entry or detainer suit or otherwise, without demand or notice of any kind to Tenant and without terminating this Agreement, in which event Landlord may relet the Premises for the account of Tenant for such rent and upon such terms as shall be satisfactory to Landlord, in Landlord's sole and absolute discretion. For the purpose of such reletting, Landlord is authorized to make any repairs, changes, alterations, or additions in or to Premises that Landlord may consider to be necessary, in Landlord's reasonable judgment. If Landlord does not relet the Premises, then Tenant shall pay to Landlord as damages a sum equal to the amount of the rent and all other sums due hereunder, plus the cost of recovering possession of the Premises, plus interest on all of the foregoing at the rate set forth in Section 20 of this Agreement. If the Premises are relet and a sufficient sum is not realized from such reletting (after paying the cost of recovering possession of the Premises, plus all of the costs and expenses of repairs, changes, alterations, and additions to the Premises, plus all expenses of reletting the Premises, plus interest on all of the forgoing at the Past-Due Rate) to satisfy the rent provided for in this Agreement to be paid, plus all other sums owed by Tenant to Landlord, plus interest on all of the foregoing at the rate set forth in Section 20, then Tenant shall satisfy and pay any such deficiency to Landlord upon demand therefor from time to time, and Tenant agrees that Landlord may file suit to recover any sums falling due under the terms of this paragraph from time to time, and that no delivery or recovery of any portion due Landlord hereunder shall be any defense to any subsequent action brought for any amount not theretofore reduced to judgment in favor of Landlord, nor shall such reletting be construed as an election on the part of Landlord to terminate this Agreement unless a written notice of such intention be given to Tenant by Landlord. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Agreement for such previous breach.
 - Landlord may make such payments and/or take such actions (including, without limitation, entering upon or within the Premises, by force if necessary) and do whatever Tenant is obligated to do under the terms of this Agreement, and Tenant covenants and agrees to

- reimburse Landlord on demand for any expenses which Landlord may incur in effecting compliance with Tenant's obligations under this Agreement, together with interest thereon at the Past Due Rate from the date paid by Landlord.
- d) At any time after an event of default by Tenant has occurred hereunder, Landlord shall have the right to (i) change or modify door locks on entry doors to the Premises, and/or (ii) terminate all utility services to the Premises, and/or (iii) attach a lock to the aircraft stored in the Premises (commonly referred to as "prop lock"), and such right to modify or change locks and/or terminate utility services and/or attach a "prop lock" shall continue so long as Tenant is in default hereunder. Landlord shall not be obligated to furnish Tenant with a new key or to allow Tenant to enter the Premises, or to reinstate any terminated utility services, or to remove the "prop lock" until and unless Tenant has cured any default hereunder. Landlord may take such action as is required to cure any breach or default by Tenant hereunder and bill Tenant for any expenses incurred by Landlord in curing such breach, and Tenant shall be obligated to pay such bill immediately upon its receipt by Tenant.
- e) Landlord shall have the right to cause a receiver to be appointed in any action against Tenant to take possession of the Premises and/or to collect the rents or profits derived therefrom. The appointment of such receiver shall not constitute an election on the part of Landlord to terminate this Agreement unless notice of such intention is given to Tenant.
- f) After terminating this Agreement or Tenant's right to possession of the Premises, Landlord may, without notice to Tenant or any other party, remove any and all personal property located in the Premises and either dispose of or store such personal property at Tenant's expense.
- g) In addition to the other remedies provided in this Agreement, Landlord shall be entitled, to the extent permitted by applicable law, to injunctive relief in case of the violation or attempted or threatened violation, of any of the provisions of this Agreement, or to a decree compelling performance of any other provisions of this Agreement, or to any other remedy allowed at law or in equity.

Notwithstanding any other remedy or provision set forth in this Agreement: (i) this Agreement may be terminated by Landlord only by written notice of such termination to Tenant given in accordance with the notice provisions of this Agreement, and no other act or omission of Landlord shall be construed as a termination of this Agreement; (ii) all rights and remedies of Landlord herein or existing at law or in equity are cumulative and the exercise of one or more rights or remedies shall not be taken to exclude or waive the right to the exercise of any other; (iii) Tenant agrees that acceptance of full or partial payments by Landlord after notice of termination or forfeiture will not constitute a waiver of the default, termination, or forfeiture unless Landlord agrees to a waiver in writing, nor affect any legal proceedings taken or to be taken by Landlord except to reduce Tenant's obligation to Landlord by the amount of such payment; and (iv) waiver by Landlord of any defaults or breaches by Tenant of any provisions of this Agreement shall not bar Landlord thereafter from requiring prompt performance by Tenant

- of the obligations of this Agreement, nor shall Landlord be barred thereafter from immediate exercise of any of Landlord's rights or remedies in case of continuing or subsequent default or violation by Tenant.
- 22) <u>Attorney's Fees</u>: If on account of any default by Tenant under this Agreement, Landlord shall employ an attorney to enforce or defend any of Landlord's rights or remedies hereunder, Tenant agrees to pay all reasonable attorneys' fees incurred by Landlord in connection herewith.
- 23) Contractual Lien and Security Interest: TENANT HEREBY GRANTS TO LANDLORD A SECURITY INTEREST TO SECURE PAYMENT OF ALL RENT AND OTHER SUMS OF MONEY COMING DUE HEREUNDER FROM TENANT, AND TO SECURE PAYMENT OF ANY DAMAGES OR LOSS WHICH LANDLORD MAY SUFFER BY REASON OF THE BREACH BY TENANT OF ANY COVENANT, AGREEMENT, OR CONDITION CONTAINED HEREIN, UPON ALL EQUIPMENT, FIXTURES, FURNITURE, IMPROVEMENTS AND OTHER PERSONAL PROPERTY OF TENANT PRESENTLY OR WHICH MAY HEREAFTER BE SITUATED OR STORED ON THE PREMISES, AND ALL PROCEEDS THEREFROM. SUCH PROPERTY SHALL NOT BE REMOVED FROM THE PREMISES AT ANY TIME WITHOUT THE CONSENT OF THE LANDLORD UNTIL ALL ARREARAGES IN RENT AS WELL AS ANY OTHER SUMS OF MONEY THEN DUE TO LANDLORD HEREUNDER SHALL FIRST HAVE BEEN PAID AND DISCHARGED, AND ALL THE COVENANTS, AGREEMENTS, AND CONDITIONS HEREOF HAVE BEEN FULFILLED AND PERFORMED BY TENANT. IN ADDITION TO ANY OTHER REMEDIES PROVIDED HEREIN, IN THE EVENT OF DEFAULT, LANDLORD MAY ENTER THE PREMISES AND TAKE POSSESSION OF ANY AND ALL AIRCRAFT, EQUIPMENT, FIXTURES, FURNITURE, IMPROVEMENTS AND OTHER PERSONAL PROPERTY OF TENANT SITUATED UPON THE PREMISES WITHOUT LIABILITY FOR TRESPASS OR CONVERSION. LANDLORD MAY SELL THE SAME AT A PUBLIC OR PRIVATE SALE, WITH OR WITHOUT HAVING SUCH PROPERTY AT THE SALE, AFTER GIVING TENANT REASONABLE NOTICE AS TO THE TIME AND PLACE OF THE SALE. AT SUCH SALE, LANDLORD OR ITS ASSIGNS MAY PURCHASE THE PROPERTY UNLESS SUCH PURCHASE IS OTHERWISE PROHIBITED BY LAW. UNLESS OTHERWISE PROVIDED BY LAW, THE REQUIREMENT OF REASONABLE NOTICE SHALL BE MET IF SUCH NOTICE IS GIVEN TO TENANT AT THE ADDRESS PRESCRIBED HEREIN AT LEAST FIFTEEN (15) DAYS PRIOR TO THE TIME OF THE SALE. THE PROCEEDS OF ANY SUCH DISPOSITION, LESS ALL EXPENSES CONNECTED WITH THE TAKING OF POSSESSION AND SALE OF THE PROPERTY, INCLUDING A REASONABLE ATTORNEY'S FEE, SHALL BE APPLIED AS A CREDIT AGAINST THE INDEBTEDNESS SECURED BY THE SECURITY INTEREST GRANTED IN THIS SECTION. ANY SURPLUS SHALL BE PAID TO TENANT AND TENANT SHALL PAY ANY DEFICIENCIES UPON DEMAND. UPON REQUEST BY LANDLORD, TENANT WILL EXECUTE AND DELIVER TO LANDLORD A FINANCING STATEMENT IN A FORM SUFFICIENT TO PERFECT THE SECURITY INTEREST OF THE LANDLORD IN THE AFOREMENTIONED PROPERTY AND THE PROCEEDS THEREOF UNDER THE PROVISION OF THE UNIFORM COMMERCIAL CODE IN FORCE IN THE STATE OF TEXAS. THE STATUTORY LIEN FOR RENT IS NOT WAIVED; THE SECURITY INTEREST HEREIN GRANTED IS IN ADDITION AND SUPPLEMENTARY THERETO.

- 24) <u>Mitigation of Damages</u>: If Tenant abandons the Premises in violation of this Agreement, Landlord will exercise its commercially reasonable efforts to mitigate damages. Landlord will credit all subsequent rent actually received from subsequent residents against Tenant's liability for past-due and future rent and other sums due.
- 25) Special Events: Landlord may sponsor certain special events, including, but not limited to, automobile races and air shows, to be conducted on portions of the Airport, which may limit or obstruct access to the Premises and/or to the Airport ("Special Events"). As a material inducement to Landlord to enter into this Agreement and to lease the Premises to Tenant, and notwithstanding anything to the contrary contained herein, Tenant, on behalf of Tenant and on behalf of all directors, officers, shareholders, partners, principals, employees, agents, contractors, invitees, subtenants, licensees or concessionaires of Tenant and on behalf of any other party claiming any right to use the Premises by, through or under Tenant, hereby: (i) agrees that Landlord has the right to sponsor any or all Special Events and to allow use of portions of the Airport therefor even if the same limit or obstruct access to the Premises and/or to the Airport; (ii) releases, waives and discharges the Landlord and Manager and their respective officials, officers, employees and agents, from all liability for any loss, damage, cost, expense or claim arising or resulting from or pertaining to the limitation or obstruction of access to the Premises and/or to the Airport from the conduct of Special Events and/or activities relating or pertaining thereto, including, without limitation, death, injury to person or property or loss of business or revenue (the "Released Claims"); (iii) covenants not to sue the Landlord or Manager or their respective officials, officers, employees and agents for any Released Claims; (iv) agrees that the terms contained in this Section are intended and shall be construed to be as broad and inclusive as possible under the laws of the State of Texas or any other law, rule or regulation; and (v) agrees that if any portion or this Section is held to be invalid or unenforceable, the remainder of this Section shall not be affected thereby but shall continue in full force and effect.
- 26) Change of Status: Tenant agrees to notify Landlord by written notice, signed and dated, within ten (10) days of any change of Tenant's status including address, telephone numbers, or other information that deviates from the information provided by Tenant in the Abstract of Terms or elsewhere in this Agreement. Actual notice to Landlord is required. An address printed on an envelope or check is not notice to Landlord or change of address for purposes of enforcement of Tenant's lien or other notices sent by Landlord to Tenant.
- 27) <u>Emergency Contact</u>: In the event of fire, property damage, break-in, or other emergency, if Tenant is unavailable or otherwise unable to participate at the facility, Tenant authorizes Landlord to contact the person listed as an emergency contact to locate Tenant or to act as Tenant's authorized agent to enter the premises or remove stored property.
- 28) <u>Airport Rules and Regulations</u>: This Agreement is subject to the Airport's Minimum Standards for Fixed Base Operators and Airport Tenants, which are incorporated herein by reference as if

set forth fully herein. Tenant shall comply with all Airport security and other rules and regulations (whether now in effect or as amended or adopted during the term of this Agreement) prescribed from time to time by Landlord or Manager and with any laws, rules, regulations, standards, or policies (whether now in effect or amended or adopted during the term of this Agreement) of any government entity or agency having jurisdiction over the Airport. A copy of Landlord's current rules and regulations are available upon request from the Manager.

- 29) <u>Condemnation and Eminent Domain</u>: If during the term of this Agreement, the Premises are taken for any public or quasi-public use under any statute or by right of eminent domain or purchased under threat of such taking, this Agreement will terminate on the date the condemning authority or purchaser takes possession of the Premises. Any rent paid in advance for an unused term will be adjusted on a pro-rata basis. Tenant will have no interest of any kind in any sale or condemnation proceeds.
- 30) <u>Venue</u>: In the event of any action under this Agreement, venue for all causes of action shall be instituted and maintained in Caldwell County, Texas. The parties agree that the laws of the State of Texas shall apply to the interpretation, validity and enforcement of this Contract; and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the interpretation, validity and enforcement of this Agreement.
- 31) <u>Mediation</u>: Tenant agrees that Tenant will attempt to settle any dispute with Landlord, including any claim for bodily injury or property damage, by mediation before filing a lawsuit in any court. Both Landlord and Tenant shall each use commercially reasonably efforts to mitigate any damages resulting from a default of the other party under this Lease.
- 32) Rendering to Tax Authority: Tenant shall timely render to the Caldwell County Appraisal District (and such taxing jurisdictions as may be required) all aircraft and other property as may be required by law. Landlord shall pay all taxes (if any) on the real property comprising part of the Premises, and Tenant shall pay all taxes on personal property located on or within the Premises.
- 33) Landlord may exercise power through Manager: Landlord may choose to exercise any of its power, authority, or duties under this Agreement through Manager (or any subsequently appointed Manager). All duties, obligations, warranties, indemnifications, and covenants owed by Tenant to Landlord shall be likewise extended to Manager, and any notice or claim lawfully made by Manager, or any duty performed by Manager, on behalf of Landlord, shall be fully honored by Tenant as if it had been made or done by Landlord.
- 34) <u>Sublease and Assignment</u>: Tenant may not sublease any portion of the Premises or assign any portion of this Agreement without the prior written consent of City.

- 35) <u>Termination if Space not used for Airworthy Aircraft</u>: City shall have the right to terminate this Agreement and require Tenant to vacate the Premises on 10 days' notice if the Premises have not been used for the storage of an airworthy aircraft for at least 30 consecutive days. Aircraft that have become unairworthy shall not be considered airworthy, and storage of such aircraft on the Premises shall give City the right to terminate this Agreement under this Section.
- 36) **Notices**: All notices under this Agreement shall be in writing and shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage paid, registered or certified mail, returned receipt requested, addressed to the parties at the addresses indicated below, or at such addresses as may have theretofore been specified by written notice delivered in accordance with this Section.

TO MANAGER

Texas Aviation Partners 1807 Airport Drive, Suite 200 San Marcos, TX 78666

TO CITY

City of San Marcos Attention: City Manager 630 East Hopkins San Marcos, TX 78666

TO TENANT

For the purpose of this Agreement, Tenant's address for legal notice is the address provided in the ABSTRACT OF TERMS.

37) **Entire Agreement:** This is the only Agreement between the parties concerning the Premises. It consists of thirty-five (35) Sections, the Abstract of Terms, any addenda, and all subsequent Notices as provided for herein. This Agreement may not be changed in any respect by either party except as provided for herein, including, without limitation, Section 5, or by written agreement signed by the parties.

EXECUTED BY THE CITY OF SAN MARCOS THIS 20	DAY OF		,
BY:			
Printed Name and Title:			
STATE OF TEXAS			
COUNTY OF			
This instrument was acknowledged before me on this, proved to me the			
the person whose name is subscribed to this instrument	t.		
Notary Seal			
	Notary Public – State of Te	xas	
EXECUTED BY MANAGER THIS DAY OF	, 20		_·
BY:			
Printed Name and Title:			
STATE OF TEXAS			
COUNTY OF			
This instrument was acknowledged before me on this, proved to me the			
the person whose name is subscribed to this instrument	t		
Notary Seal			
	Notary Public – State of Te	xas	<u>_</u>

EXECUTED BY TENANT THIS	DAY OF	, Z	U	•
TENANT OF SPACE:	_			
BY:				
Printed Name:				
STATE OF TEXAS				
COUNTY OF				
This instrument was acknowledged				
the person whose name is subscrib				
Notary Seal	_			
	N	otary Public - State	e of Texas	

San Marcos Municipal Airport Aircraft Storage Agreement Abstract of Terms

TENANT INFORMATION:	
Tenant Name:	
EMERGENCY CONTACT INFORMATION:	
Contact Name:	
DESCRIPTION OF AIRCRAFT:	
Aircraft Make/Model:	
RENTAL TERMS:	
Hangar/Tie-Down #:	
Expiration Date:	
Monthly Installments:	